

STATE OF HAWAII  
DEPARTMENT OF LAND AND NATURAL RESOURCES  
Land Division  
Honolulu, Hawaii 96813

June 9, 2011

Board of Land and Natural Resources  
State of Hawaii  
Honolulu, Hawaii

Hawai'i

Consent to Assign General Lease No. S-3601, William T. White, III Charitable Remainder Unitrust, Assignor, to BCI Coca Cola Bottling Company of Los Angeles, Assignee; Waiakea, South Hilo, Hawaii, Tax Map Key: 3<sup>rd</sup>/2-3-49:07.

APPLICANT:

William T. White, III Charitable Remainder Unitrust, as Assignor, to BCI Coca Cola Bottling Company of Los Angeles, a Delaware corporation, as Assignee.

LEGAL REFERENCE:

Section 171-36(a)(5), Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands of Kanoelehua Industrial Lots, Lot 33, situated at Waiakea, South Hilo, Hawaii, identified by Tax Map Key: 3<sup>rd</sup>/2-2-49:07, as shown on the attached map labeled Exhibit A.

AREA:

33,750 square feet, more or less.

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act

DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CHARACTER OF USE:

General industrial purposes.

TERM OF LEASE:

55 years, commencing on 01/16/1961 and expiring on 01/15/2016. Last rental reopening occurred on 01/16/2011; there are no more rental reopenings.

ANNUAL RENTAL:

\$32,400.00.

CONSIDERATION:

\$ 72,000.00.

RECOMMENDED PREMIUM:

Not applicable as the lease does not allow for a premium.

DCCA VERIFICATION:

ASSIGNOR:

Place of business registration confirmed:	YES <u>N/A</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>N/A</u>	NO <u>  </u>
Good standing confirmed:	YES <u>N/A</u>	NO <u>  </u>

Sublessor is a sole proprietorship and therefore not required to register with the Department of Commerce and Consumer Affairs.

ASSIGNEE:

Place of business registration confirmed:	YES <u>X</u>	NO <u>  </u>
Registered business name confirmed:	YES <u>X</u>	NO <u>  </u>
Good standing confirmed:	YES <u>X</u>	NO <u>  </u>

REMARKS:

Pursuant to Act 4, First Special Session 1960, authorized the Department to enter into direct negotiation of leases or lease with option to purchase of public lands to victims of natural disaster. General Lease No. S-3601, issued to Edward Inman was a lease with option to purchase.

On April 28, 1967, the Board consented to the assignment of lease from Edward Hamilton Inman, Assignor, to Allan Dale Starr, Assignee. The amount of consideration was \$90,000.00. At its meeting on February 10, 1984, the Board consented to an assignment of lease from Allan Dale Starr, Assignor, to William T. White III, Assignee, under Agenda Item No. F-1-i. The amount of consideration for this transaction was \$680,000.00. At its meeting on October 22, 1993, the board consented to the assignment of lease from William T. White III, Assignor, to William T. White III, Trust, Assignee under Agenda Item No. F-1-a.

At it's meeting on 02/26/1999, the Board consented to the sub-lease agreement between William T. White, III, Trust, as Sublessor and BCI Coca Cola Bottling Co. of Los Angeles, Inc. under Agenda Item No. D-13.

The Board at its meeting on November 16, 2001 under agenda item D-1 approved a First Amendment to Sublease. The amendment extended the initial term of the sublease agreement term and an adjustment of the sublease rent.

The Board at its meeting on June 14, 2002 under agenda item D-1 approved a second amendment to Sublease as amended, with the reinstatement of the performance bond requirement. The second amendment reflected more changes in the sublease agreement regarding the terms and conditions. This sublease agreement was disapproved by the Office of the Attorney General stating that " the Board is not required to give consent or approval to this Second Amendment to Sublease. The Lessee is only required to give notice of the amendment of sublease within 15 days of the extension of renewal of the sublease. The Board also has the right to review and approve the rent to be charged."

Prior to staff preparing the rescission the previous Board action, the Lessee presented a request for assignment from William T. White, III, Trustee of the William T. White, III, Trust as Assignor to William T. White, III, Trustee of the William T. White III Charitable Remainder Unitrust. This action was approved by the Board at its meeting of December 13, 2002 under agenda item D-43.

The Lessee is current with the terms and conditions of the lease including rent and insurance. There are no other outstanding rental reopening issues.

The assignment is a result of the Lessee retiring from the active participation of the management of his trust's assets. The Assignee has been subleasing the property for several decades and has been occupying the premises prior to the William T. White III's assumption of the lease on April 23, 1984.

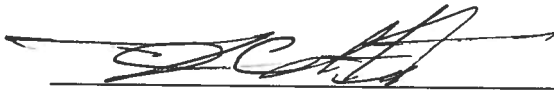
The Assignee has not had a lease, permit, easement or other disposition of State lands terminated within the last five years due to non-compliance with such terms and conditions.

RECOMMENDATION:

That the Board consent to the assignment of General Lease No. S-3601 from William T. White, III Charitable Remainder Unitrust, as Assignor, to BCI Coca Cola Bottling Co. of Los Angeles, as Assignee, subject to the following:

1. The standard terms and conditions of the most current consent to assignment form, as may be amended from time to time;
2. Review and approval by the Department of the Attorney General; and
3. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,

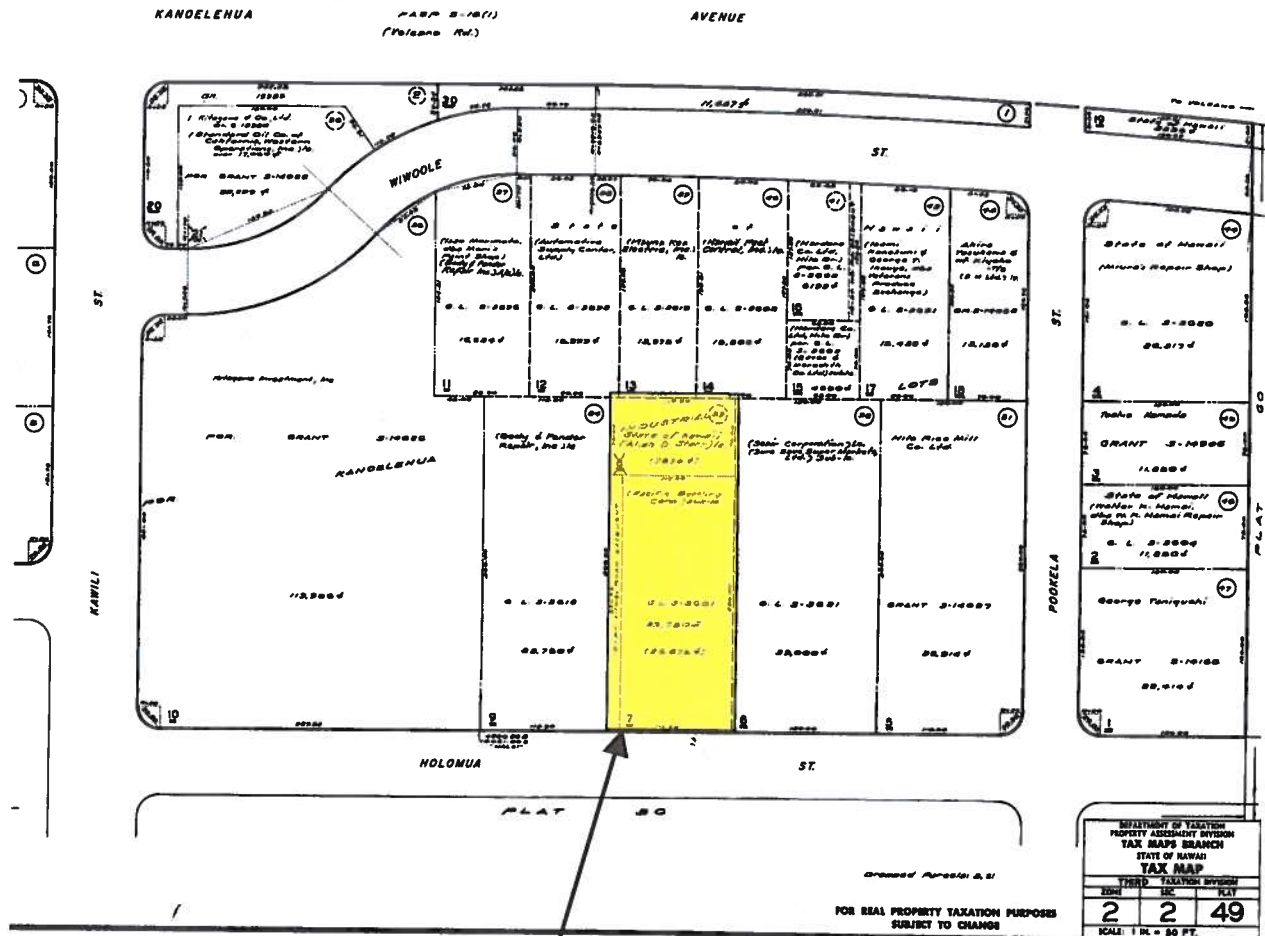
  
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Gordon C. Heit  
Land Agent

*KEM*

APPROVED FOR SUBMITTAL:

  
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William J. Aila, Jr., Chairperson

# EXHIBIT A



**GL S-3601**  
**William T. White III**